



August 5, 2010

United States House of Representatives
Washington, DC 20515

Dear Representative:

On behalf of Associated Builders and Contractors (ABC), a national association with 77 chapters representing 25,000 merit shop construction and construction-related firms with 2 million employees, we are writing to urge you to cosponsor the Regulations from the Executive In Need of Scrutiny (REINS) Act (H.R. 3765), which requires Congress to approve any new major rule of the Executive Branch before it takes effect. ABC believes the REINS Act, introduced by Rep. Geoff Davis, will bring greater transparency and accountability to the rulemaking process.

Federal rules issued by the Executive Branch and its agencies often have substantial compliance and financial costs that impede small businesses' ability to compete. Research from a 2005 study, released by the U.S. Small Business Administration's Office of Advocacy, determined that the small business community is disproportionately affected by burdensome federal regulations. The study found that small businesses spend more than \$7,000 per employee annually to comply with federal regulations and concluded that complying with federal regulations costs small businesses 60 percent more than a company employing 500 or more employees. For the construction industry, excessive regulations translate into higher costs that are eventually passed on to the consumer.

An example of recent regulatory action that will impede economic recovery as well as increase energy and material prices for the construction industry, are rules being issued by the U.S. Environmental Protection Agency (EPA) that regulate greenhouse gas emissions. Despite the fact that Congress failed to take action on climate change legislation, the EPA hastily moved forward with the rulemaking process—pushing costly and burdensome regulations on hard working business owners. With a current unemployment rate of over 20 percent, the construction industry simply cannot endure another massive blow to its workforce, especially at the hands of the federal government. Yet, the drafters of federal rules are Washington bureaucrats who face no consequences for their actions. The REINS Act provides for greater accountability by requiring sitting members of Congress to pass a joint resolution of approval before any new major rule takes effect.

As the Executive Branch and its agencies continue to promulgate complex, costly and burdensome regulations, the REINS Act would ensure that Congress is held accountable for the impact that finalized rules have on the business community and the American people. Again, we hope you will cosponsor H.R. 3765 and join ABC in supporting the bill.

Sincerely,

Brewster Bevis
Senior Director, Legislative Affairs